

INITIAL STATEMENT OF REASONS

California Alternative Energy and Advanced Transportation Financing Authority PACE Loss Reserve Program Regulations

Sections 10080, 10081, 10082, 10083, 10084, 10085, 10086, and 10087 Title 4, Division 13, Article 4 of the California Code of Regulations

INTRODUCTION

The California Alternative Energy and Advanced Transportation Financing Authority (Authority or CAEATFA), organized and operating pursuant to Division 16 (commencing with Section 26000) of the California Public Resources Code – pursuant to the authority vested in it by the Public Resources Code Section 26009 to promulgate regulations and Public Resources Code Section 26060 to establish the PACE Loss Reserve Program – proposes to amend and adopt the regulations described below after considering all comments, objections, and recommendations regarding the proposed action.

Public Resources Code Section 26060 (as modified by Senate Bill 96, Chapter 356, Statutes of 2013) directs the Authority to develop and administer the PACE Loss Reserve Program (the Program) to assist in the acceptance and growth of PACE financing in the marketplace and protect against the risk of default and foreclosure. These regulations implement and interpret Public Resources Code Section 26060, *et seq.* to enable the Authority to administer the Program. The purpose of this Program is to assist residential PACE programs in California by addressing some of the concerns raised by the Federal Housing Finance Agency (FHFA) regarding the risk to mortgage lenders from PACE financing. The Program will also collect data on the performance of residential PACE assessments over time to better inform policymakers in the future. Finally, the Program should help increase the availability of residential PACE financing throughout the state. By promoting PACE financing, the Program promotes California-based jobs, the reduction of greenhouse gases, and the reduction of air and water pollution and energy consumption.

The Authority proposes to amend and adopt Title 4, Division 13, Article 4, Sections 10080 through 10087 of the California Code of Regulations (the regulations) concerning the implementation of the PACE Loss Reserve Program. The regulations were initially adopted under the emergency rulemaking process on March 10, 2014 (OAL File #2014-0227-03E), pursuant to Public Resources Code Section 26009. These proposed regulations are substantially similar to those enacted on March 10, 2014 under the emergency rulemaking process, and include some amendments to clarify the effective dates of certain provisions. The Authority is soliciting input for any modifications or amendments to these proposed regulations.

STATEMENT OF BENEFITS

The proposed regulations implement the PACE Loss Reserve Program, which will provide financial assistance to PACE programs in the form of a loss reserve. The loss reserve will cover losses to mortgage holders that are attributable to residential PACE assessments in the case of a foreclosure or forced sale. By providing PACE programs with this financial assistance the Program will promote residential PACE financing, increasing its availability to homeowners in the State. The Program will also collect data on the performance of PACE assessments over time. This data will be useful for informing policymakers and eventually developing best practices for financial underwriting and other standards related to PACE.

SECTION-BY-SECTION ANALYSIS

SECTION 10080. DEFINITIONS

1. Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address.

Public Resources Code Section 26060 states the Authority “shall develop and administer a PACE risk mitigation program for PACE loans to increase their acceptance in the marketplace and protect against the risk of default and foreclosure.”

The statute does not define all of the terms necessary to implement the Program.

2. Specific Purpose of the Regulation.

The proposed regulation establishes the specific meaning of several terms that are a prerequisite for interpreting the other proposed regulations necessary to implement Public Resources Code Section 26060, *et seq.*

This section clearly defines terms commonly used in the proposed regulations.

10080(a): This subsection establishes the definition of “Authority” as the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA), and indicates the Public Resources Code section that established the Authority.

10080(b): This subsection establishes the definition of “Executive Director”, stating that it is the executive director of CAEATFA.

10080(c): This subsection defines what is considered a “Loan” eligible for coverage under the Program.

10080(d): This subsection defines “PACE Program” and indicates the code sections pursuant to which the programs may be established to clarify what entities may enroll in the Program.

10080(e): This subsection establishes the definition of “Program”, referencing Chapter 4, Division 16, of the Public Resources Code.

3. Necessity.

The definitions in this regulation are necessary to achieve the goals of the Legislature in establishing the PACE Loss Reserve Program identified in Public Resources Code Sections 26060 through 26064. Including these definitions in regulations is necessary to establish eligibility and delineate program requirements beyond the information provided in statute. Providing a list of definitions provides clarity to interested parties and those who could benefit from participation in the Program.

4. Technical, Theoretical, and/or Empirical Studies, Reports, or Documents.

The Authority relied on experts from both the public and private sectors, rules and regulations for similar programs in California, and existing statute to develop the definitions used in this section. The Authority did not rely on any technical, theoretical, or empirical studies in propose the adoption of this regulation.

5. Alternatives to the Regulations Considered by the Agency and the Agency’s Reasons for Rejecting those Alternatives.

The Authority finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulation or would be as effective and less burdensome to affected business entities than the proposed regulation.

6. Alternatives to the Proposed Regulation Action that Would Lesson any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought to the attention of the Authority that would lessen any adverse impact on small businesses.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

The Authority has determined that there will be no significant adverse economic impact on any California businesses. In fact, by assisting PACE programs, the Program may facilitate investment in home retrofits that will create jobs for contractors in California; however, these benefits are not quantifiable at this time. The Program will also have non-monetary benefits from reduced energy consumption, air pollution and greenhouse gas emissions resulting from residential PACE retrofits.

SECTION 10081. APPLICATION BY PACE PROGRAM TO THE PACE LOSS RESERVE

1. Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address.

Public Resources Code Section 26062 details documentation the Authority must receive from applicants, including “information deemed necessary by the [A]uthority.” Additionally, Public Resources Code Section 26061 establishes specific underwriting criteria by which the Authority must evaluate program eligibility, and also provides that the Authority shall consider “[a]ny other factors deemed appropriate by the authority” when evaluating an application. The statute does not specify application review timing requirements and does not provide a mechanism by which the Authority can ensure applicants are providing true and accurate information.

This regulation is intended to provide further clarification on the application process and timing, including what documentation an applicant must submit, and the Authority’s minimum underwriting criteria.

2. Specific Purpose of the Regulation.

This section outlines the Program’s minimum underwriting criteria and the documentation required for an application to be considered complete, including: formation documents; proof of meeting the minimum underwriting criteria; a description of transactional activities, quality assurance requirements, any credit enhancements associated with the financing; a summary of the financing portfolio; and a statement consenting to an audit by the Authority. This section also establishes the time limit for reviewing an application.

10081(a): Per statute, the Authority is required to obtain a detailed description of the applicants’ PACE programs. This subsection requires that applicants submit to the Authority the formation documents required under existing law.

10081(b): Public Resources Code Sections 26061 through 26063 set out specific underwriting criteria the Authority must consider when approving applications, including “any other factors deemed appropriate by the authority.” This subsection makes clear the Authority’s minimum underwriting criteria.

10081(c): This subsection requires applicants to provide descriptions of the transactional activities and costs, quality assurance requirements, and information regarding any credit enhancement or loan insurance associated with the financing, as required by statute.

10081(d): Per statute, the Authority is required to obtain a detailed description of the applicants’ PACE programs. This subsection requires applicants to provide a summary of their existing residential financing portfolio, including the number of loans and the value of the portfolio.

10081(e): This subsection requires applicants to permit the Authority to audit its records so that the Authority may ensure information provided by PACE programs is true and accurate.

10081(f): This subsection establishes the timing for the Authority's review of a complete application.

3. Necessity.

This regulation is necessary to clarify the Program's application process. By providing specificity on the required information and criteria upon which the Authority will review application, the Authority complies with the eligibility, application, and underwriting requirements specified in Public Resources Code Sections 26061 through 26064, and establishes standard requirements that all applicants must meet to enroll in the Program. Requiring that applicants provide standardized detailed information will create uniformity in the information the Authority collects when reviewing applications. A summary of the PACE program's existing portfolio of loans is necessary for the Authority to understand the number of PACE loans and corresponding dollar amount that may be covered upon enrollment.

Establishing the time limit for the Authority to review applications provides clarity on how long it will take an applicant to hear from the Authority regarding the approval or denial of an application. It is also necessary to include a statement regarding the Executive Director's decision being final to provide information to the public on the appeal process for the Program.

4. Technical, Theoretical, and/or Empirical Studies, Reports, or Documents.

The Authority did not rely on any technical, theoretical, or empirical studies in propose the adoption of this regulation. The Authority relied upon the authorizing statute to develop the application requirements.

5. Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives.

The Authority finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulation or would be as effective and less burdensome to affected business entities than the proposed regulation.

6. Alternatives to the Proposed Regulation Action that Would Lesson any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought to the attention of the Authority that would lessen any adverse impact on small businesses.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

The Authority has determined that there will be no significant adverse economic impact on any California businesses. In fact, by assisting PACE programs, the Program may facilitate investment in home retrofits that will create jobs for contractors in California; however, these benefits are not quantifiable at this time. The Program will also have non-monetary benefits from reduced energy consumption, air pollution and greenhouse gas emissions resulting from residential PACE retrofits.

SECTION 10082. COVERAGE OF PACE LOAN PORTFOLIOS

1. Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address.

Statute does not specify the procedures by which a PACE Program may enroll outstanding loans and loans issued after initial Program enrollment.

2. Specific Purpose of the Regulation.

This section clarifies which Loans will be covered under the Program upon enrollment and how to enroll Loans originated after initial Program enrollment. This section has been amended to specify the effective date of the regulations as the original effective date of the emergency regulations on March 10, 2014.

10082(a): This subsection clarifies that all outstanding loans will be covered under the Program if the PACE program applied on or before June 9, 2014. This section has been amended to replace “effective date of these regulations” with “March 10, 2014,” the effective date of the emergency regulations, and to replace “not more than 90 calendar days after the effective date of these regulations” with “on or before June 9, 2014.” Loans originated after enrollment may be covered if reported pursuant to Section 10085.

10082(b): This subsection clarifies that for PACE programs established after March 10, 2014, loans originated within 30 days of enrollment will be covered upon enrollment. This section has been amended to replace “effective date of these regulations” with “March 10, 2014,” the effective date of the emergency regulations. Loans originated after enrollment may be covered if reported pursuant to Section 10085.

3. Necessity.

A description of which loans will be covered by the Program and the requirements for doing so is necessary for prospective applicants and other stakeholders to understand how their loan portfolios will be covered by the Program. An initial 90 day period for existing

PACE programs to apply and receive coverage of their existing portfolios was necessary to both accommodate existing PACE loans and provide a reasonable time period to apply to the Program in a timely manner. A 30 day period to accommodate loans issued by new PACE programs before being enrolled in the Program is necessary to provide these programs with the ability to launch and operate during the Authority's review of their applications. The amendments are necessary to avoid confusion since this rulemaking will have a different effective date than the one referenced by the original language of the regulations.

4. Technical, Theoretical, and/or Empirical Studies, Reports, or Documents.

The Authority relied on experts from both the public and private sectors and rules and regulations for similar programs in California to develop the coverage criteria this section. The Authority did not rely on any technical, theoretical, or empirical studies in propose the adoption of this regulation.

5. Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives.

The Authority finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulation or would be as effective and less burdensome to affected business entities than the proposed regulation.

6. Alternatives to the Proposed Regulation Action that Would Lesson any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought to the attention of the Authority that would lessen any adverse impact on small businesses.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

The Authority has determined that there will be no significant adverse economic impact on any California businesses. In fact, by assisting PACE programs, the Program may facilitate investment in home retrofits that will create jobs for contractors in California; however, these benefits are not quantifiable at this time. The Program will also have non-monetary benefits from reduced energy consumption, air pollution and greenhouse gas emissions resulting from residential PACE retrofits.

SECTION 10083. CLAIMS AGAINST THE LOSS RESERVE POOL

1. Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address.

Public Resources Code Section 26060 directs the Authority to develop the Program “for PACE loans to increase their acceptance in the marketplace and protect against the risk of default and foreclosure.” This section describes what losses PACE programs may claim from the loss reserve so that eligible losses are directly related to the purpose of the Program.

2. Specific Purpose of the Regulation.

10083: This section establishes that a PACE program may make claim for eligible losses directly attributable to a PACE lien, including PACE assessment payments made by first mortgage lenders while in possession of a property with a covered PACE loan and losses incurred by first mortgage lenders as a result of a PACE lien in a forced sale. This section also limits loss a PACE program may claim to the amount of the PACE assessment, or the amount of outstanding PACE assessments in the case of a forced sale.

3. Necessity.

This section is necessary to clearly define the types of losses that are eligible losses and may be claimed from the Program’s loss reserve. This description is necessary to limit eligible losses to those that are directly related to the goals described in Public Resources Code Section 26060.

4. Technical, Theoretical, and/or Empirical Studies, Reports, or Documents.

The Authority relied on experts from both the public and private sectors, rules and regulations for similar programs in California, and legislative intent to determine which losses should be eligible in this section. The Authority did not rely on any technical, theoretical, or empirical studies in propose the adoption of this regulation.

5. Alternatives to the Regulations Considered by the Agency and the Agency’s Reasons for Rejecting those Alternatives.

The Authority finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulation or would be as effective and less burdensome to affected business entities than the proposed regulation.

6. Alternatives to the Proposed Regulation Action that Would Lesson any Adverse Impact on Small Business.

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7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

The Authority has determined that there will be no significant adverse economic impact on any California businesses. In fact, by assisting PACE programs, the Program may facilitate investment in home retrofits that will create jobs for contractors in California; however, these benefits are not quantifiable at this time. The Program will also have non-monetary benefits from reduced energy consumption, air pollution and greenhouse gas emissions resulting from residential PACE retrofits.

SECTION 10084. CLAIMS PROCEDURE

1. Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address.

Statute does not specify the process by which enrolled PACE programs may make an eligible claim. This section describes the procedure and required documentation for making claim from the Program's loss reserve.

2. Specific Purpose of the Regulation.

10084(a): This section requires enrolled PACE programs to submit relevant information on the PACE assessment and the loss amount to the Authority in order to make a claim, and establishes that the Authority has 20 calendar days to make payment.

10084(b): This section establishes that the Authority may request additional evidence from a first mortgage lender to verify a claim made by a PACE program terminated pursuant to Section 10086.

3. Necessity.

This regulation is necessary to establish a standard process for filing a claim for reimbursement from the Authority and to ensure consistency and conformity of claim processing in a timely manner. The required information is necessary to allow the Authority to verify the validity of claims and proper use of public funds. The Authority's ability to seek additional evidence from the first mortgage lender for claims is necessary to verify the validity of claims in circumstances under which a formerly enrolled PACE program is not able to do so.

4. Technical, Theoretical, and/or Empirical Studies, Reports, or Documents.

The Authority relied on experts from both the public and private sectors and rules and regulations for similar programs in California to develop the claims procedure detailed in this section. The Authority did not rely on any technical, theoretical, or empirical studies in propose the adoption of this regulation.

5. Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives.

The Authority finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulation or would be as effective and less burdensome to affected business entities than the proposed regulation.

6. Alternatives to the Proposed Regulation Action that Would Lesson any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought to the attention of the Authority that would lessen any adverse impact on small businesses.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

The Authority has determined that there will be no significant adverse economic impact on any California businesses. In fact, by assisting PACE programs, the Program may facilitate investment in home retrofits that will create jobs for contractors in California; however, these benefits are not quantifiable at this time. The Program will also have non-monetary benefits from reduced energy consumption, air pollution and greenhouse gas emissions resulting from residential PACE retrofits.

SECTION 10085. PACE PROGRAM REPORTING AND ADMINISTRATIVE FEE

1. Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address.

This section describes the reporting documents that will be required under the Program and outlines how administrative fees will be calculated so that enrolled PACE programs have a clear understanding of the information that is expected of them, the frequency of reporting, the required administrative fees, and the consequences of a PACE program's failure to comply with the reporting requirements.

2. Specific Purpose of the Regulation.

10085(a)(1)-(2): This subsection establishes semi-annual reporting requirements and specifies the dates on which each report is due and the information required in each report.

10085(b): This subsection details how administrative fees will be calculated and specifies when the Authority shall review the fee. This section has been amended to specify that

the fee amount will be reviewed in March of 2016, two years after the initial emergency regulations took effect. This amendment is intended to clarify the dates specified in this section.

10085(c): This subsection authorizes the Authority to terminate a PACE program's enrollment in the Program for failure to report and pay the administrative fee within 60 days of the due date.

3. Necessity.

Reports from enrolled PACE programs are necessary for the Authority to keep records on the number and dollar value of covered PACE loans. The information specified will allow the Authority to verify that claims made at a later date are for eligible loans, and to properly assess the administrative fee. Additional cumulative information on the PACE programs' total loan portfolios, and energy and water savings resulting from funded projects is necessary to ensure appropriate program administration and will provide data for the Authority's annual report to the Legislature.

The administrative fee is necessary to cover the Authority's reasonable costs of administering the Program and ensures the Authority has the resources necessary to effectively administer the Program over the life of the reserve and PACE loans, which can have a 15 year term.

The Authority's ability to terminate the enrollment of PACE programs that do not submit reports or fees within 60 days is necessary to incentivize enrolled PACE programs to submit reports and fees in a timely manner.

The amendment to the effective date is necessary to avoid confusion because this rulemaking will have a different effective date than the one referenced by the original language of the regulations.

4. Technical, Theoretical, and/or Empirical Studies, Reports, or Documents.

The Authority relied on experts from both the public and private sectors and rules and regulations for similar programs in California to develop the reporting and fee requirements in this section. The Authority did not rely on any technical, theoretical, or empirical studies in propose the adoption of this regulation.

5. Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives.

The Authority finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulation or would be as effective and less burdensome to affected business entities than the proposed regulation.

6. Alternatives to the Proposed Regulation Action that Would Lessen any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought to the attention of the Authority that would lessen any adverse impact on small businesses.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

The Authority has determined that there will be no significant adverse economic impact on any California businesses. In fact, by assisting PACE programs, the Program may facilitate investment in home retrofits that will create jobs for contractors in California; however, these benefits are not quantifiable at this time. The Program will also have non-monetary benefits from reduced energy consumption, air pollution and greenhouse gas emissions resulting from residential PACE retrofits.

SECTION 10086. TERMINATION AND WITHDRAWAL FROM THE PROGRAM

1. Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address.

This regulation outlines the procedure for a PACE program to withdraw from the Program and the circumstances under which a PACE program may be terminated from the Program so that enrolled PACE programs are fully aware of the steps necessary to withdraw from the Program and the condition under which they may be terminated. The regulation also describes the options for PACE programs that have outstanding loans at the time of withdrawal and specifies portfolio coverage for PACE programs terminated from the Program.

2. Specific Purpose of the Regulation.

10086(a): This subsection establishes the procedure by which a PACE program may withdraw from the Program and requires the PACE program to specify whether it waives all further interest in the Program or it wishes to continue coverage of currently enrolled loans but will no longer enroll any additional loans.

10086(b): This subsection establishes the reasons for which the Authority may terminate participation of a PACE program including and requires the Authority give written notice of termination.

This section also clarifies portfolio coverage in the event a PACE program is terminated from the Program.

3. Necessity.

This regulation is necessary to make clear how a PACE program may withdraw from the Program, the grounds on which a PACE program may be terminated from the Program, and portfolio coverage in the event of withdrawal or termination. Having these provisions in regulation provides more transparency, and the Authority may prevent any disagreements with PACE programs on the Authority's expectations and requirements for ongoing participation.

4. Technical, Theoretical, and/or Empirical Studies, Reports, or Documents.

The Authority relied on experts from both the public and private sectors and rules and regulations for similar programs in California to develop the termination and withdrawal procedures established in this section. The Authority did not rely on any technical, theoretical, or empirical studies in propose the adoption of this regulation.

5. Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives.

The Authority finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulation or would be as effective and less burdensome to affected business entities than the proposed regulation.

6. Alternatives to the Proposed Regulation Action that Would Lesson any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought to the attention of the Authority that would lessen any adverse impact on small businesses.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

The Authority has determined that there will be no significant adverse economic impact on any California businesses. In fact, by assisting PACE programs, the Program may facilitate investment in home retrofits that will create jobs for contractors in California; however, these benefits are not quantifiable at this time. The Program will also have non-monetary benefits from reduced energy consumption, air pollution and greenhouse gas emissions resulting from residential PACE retrofits.

SECTION 10087. CERTIFICATION OF REPORTS AND CLAIMS

1. Public Problem, Administrative Requirement, or Other Condition or Circumstance that the Regulation is Intended to Address.

This section describes the certifications required for all applications, reports and claims submitted to the Authority to help ensure the accuracy of information provided to the Authority.

2. Specific Purpose of the Regulation.

10087(a): This subsection requires PACE program administrators to certify that all information provided to the Authority is accurate and true.

10087(b): This subsection requires that if the PACE program is administered by a third-party administrator, the PACE program will provide the Authority with a letter certifying that it has the ability to audit all relevant records of that administrator.

3. Necessity.

Requiring certification of the accuracy of all applications, reports and claims submitted to the Authority is necessary to ensure this information is reported accurately with appropriate oversight. PACE programs administered by a third-party will be required to certify that they can audit that third party to ensure all relevant records are accessible to the Authority.

4. Technical, Theoretical, and/or Empirical Studies, Reports, or Documents.

The Authority relied on experts from both the public and private sectors and rules and regulations for similar programs in California to develop the certification requirements in this section. The Authority did not rely on any technical, theoretical, or empirical studies in propose the adoption of this regulation.

5. Alternatives to the Regulations Considered by the Agency and the Agency's Reasons for Rejecting those Alternatives.

The Authority finds that no alternatives it has considered would be more effective in carrying out the purpose of the proposed regulation or would be as effective and less burdensome to affected business entities than the proposed regulation.

6. Alternatives to the Proposed Regulation Action that Would Lesson any Adverse Impact on Small Business.

The Authority has not identified any alternatives nor have any alternatives otherwise been identified and brought to the attention of the Authority that would lessen any adverse impact on small businesses.

7. Evidence Supporting Finding of No Significant Adverse Economic Impact on any Business.

The Authority has determined that there will be no significant adverse economic impact on any California businesses. In fact, by assisting PACE programs, the Program may facilitate investment in home retrofits that will create jobs for contractors in California;

however, these benefits are not quantifiable at this time. The Program will also have non-monetary benefits from reduced energy consumption, air pollution and greenhouse gas emissions resulting from residential PACE retrofits.

ECONOMIC IMPACT ASSESSMENT

Creation or Elimination of Jobs within the State of California.

The regulations are designed to establish the Program structure and provisions and the type and level of financial assistance PACE programs may obtain if enrolled in the Program. These regulations will be carried out by existing staff and will enroll PACE programs on a voluntary basis and require minimal reporting. The Authority finds that these regulations do not place a burden on businesses within California, and therefore do not affect the ability to create or eliminate jobs within the State of California.

Creation of New or Elimination of Existing Businesses Within the State of California

The regulations are designed to establish the Program structure and provisions and the type and level of financial assistance PACE programs may obtain if enrolled in the Program. These regulations will be carried out by existing staff and will enroll PACE programs on a voluntary basis and require minimal reporting. The Authority finds that these regulations do not place a burden on businesses within California, and therefore do not affect the creation of new or elimination of existing business within the State of California.

Expansion of Businesses or Elimination of Existing Businesses Within the State of California.

The regulations are designed to establish the Program structure and provisions and the type and level of financial assistance PACE programs may obtain if enrolled in the Program. These regulations will be carried out by existing staff and will enroll PACE programs on a voluntary basis and require minimal reporting. The Authority finds that these regulations do not place a burden on businesses within California, and therefore do not affect the expansion of businesses or elimination of existing businesses within the State of California.

Benefits of the Regulations

The regulations are designed to establish the Program structure and provisions and the type and level of financial assistance PACE programs may obtain if enrolled in the Program. The Authority finds that the proposed regulation will have a positive effect on the state's economy and environment generally as a result of the increased economic activity and energy conservation as a result of the increased availability of PACE financing. By assisting PACE programs, the Program may facilitate investment in home retrofits that will create jobs for contractors in California; however, these benefits are not quantifiable at this time. The Program will also have non-monetary benefits from reduced energy consumption, air pollution and greenhouse gas emissions resulting from residential PACE retrofits.